

[24th July, 2000]

RAJYA SABHA

- * Biddable cost recovery limit upto 100%.
 - * Option to amortise exploration and drilling expenditures over a period of 10 years from first commercial production.
 - * Biddable sharing of profit petroleum based on pre-tax investment multiple achieved by the contractor.
 - * Royalty for onland areas is payable at the rate of 12.5% for crude oil and 10% for natural gas. For offshore areas, it is payable at the rate of 10% for oil and natural gas. Royalty for discoveries in deep water areas beyond 400 m iso-bath will be chargeable at half the applicable rate for offshore areas for the first seven years of commercial production.
 - * Fiscal stability provision in the contract.
 - * Freedom to the contractor for marketing of oil and gas in the domestic market.
 - * Provision for assignment.
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- * Conciliation and Arbitration Act, 1996 will be applicable.

Target set for supply of Iranian Gas to India

88. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state;

- (a) the target set for supply of Iranian gas to India;
- (b) the approximate cost of purchase and the period of supply; and
- (c) the guarantee for the safety and security of the pipeline passing through Pakistani territory?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) An Indo-Iran Joint Committee on Transmission of Gas consisting of the representatives of the Government of Iran and India has been constituted to examine all the aspects including political, technical and financing etc. relating to the proposal of Iran for supply of natural gas to India.

- (b) and (c) Does not arise, as the proposal is at the preliminary stage.